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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

STEVEN A. GRAY,)	Case No. CV 11-0680 SC
)	
Plaintiff,)	STIPULATION FOR DISMISSAL AND
)	<u>PROPOSED</u> ORDER
v.)	
)	
UNITED STATES OF AMERICA,)	
)	
Defendant.)	
)	
UNITED STATES OF AMERICA,)	
)	
Counter-claimant,)	
)	
v.)	
)	
MANUEL MARTINEZ and STEVEN)	
A. GRAY,)	
)	
Counter-defendants.)	
)	

IT IS HEREBY STIPULATED AND AGREED AND RESPECTFULLY REQUESTED
 by and between the Plaintiff, Steven A. Gray, and Defendant, United States of America, as
 reflected by the signatures of their respective counsel as set forth below:

1. That Plaintiff, Steven A. Gray and the United States have entered into a settlement on
 March 23, 2012.

2. The settlement is between Plaintiff, Steven A. Gray and the United States of America, and does not constitute a settlement of the federal tax liability of Manuel Martinez, Counter-defendant, which was reduced to judgment. See Docket Entry No. 22, entered September 13, 2011.

2. That the parties request a period of thirty days to consummate all settlement terms.

3. That this action, including the counterclaim filed by the United States, be dismissed with prejudice, provided however, that if either party notifies this Court on or before April 23, 2012, that the settlement has not been consummated, then this order shall stand vacated and this case shall forthwith be restored to the calender and a case management conference scheduled.

4. That the Court retain jurisdiction over this matter for the purpose of enforcing the terms of the settlement, including entry of judgment, if necessary. See Kokonen v. Guardian Life Ins. of America, 511 U.S. 375 (1994).

5. The parties agree to bear their respective costs, including any possible attorneys' fees or other expenses of this litigation.

IT IS SO STIPULATED:

MELINDA HAAG
United States Attorney

Dated: 3/23/12 :

/s/
CYNTHIA STIER
Assistant U.S. Attorney
Attorneys for the United States of America
Tax Division

Dated: 3/23/12 :

/s/
ANDREA D. McGARY
Counsel for Plaintiff, Steven A. Gray

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ORDER

Upon the stipulation of Plaintiff, Steven A. Gray, and Defendant, United States of America, and pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure, it is HEREBY ORDERED, ADJUDGED and DECREED that this action is hereby dismissed with prejudice, provided however, that if either party notifies this Court on or before April 23, 2012, that the settlement has not been consummated, then this order shall stand vacated and this case shall forthwith be restored to the calender and a case management conference scheduled.

IT IS FURTHER ORDERED that this Court retains jurisdiction over this matter for the purpose of enforcing the terms of the settlement, including entry of judgment, if necessary. See Kokonen v. Guardian Life Ins. of America, 511 U.S. 375 (1994).

ORDERED this 26 day of March, 2012, at San Francisco, California.

